

Yeltsin was not dealing with the problems that we knew were there, we ignored them, we pretended it did not happen, we made up excuses.

The same policy, Mr. Speaker, applied to a Navy lieutenant in what in my mind is the most outrageous story I have heard in the 13 years I have been in Congress. A 16-year career Navy officer by the name of Lieutenant Jack Daly, in our naval intelligence service, was assigned duty up in the Seattle area working with our Canadian military friends to monitor Russian trawlers that we knew were spying on our nuclear submarine fleet. Lieutenant Daly and his Canadian counterpart would fly helicopter missions and take photographs of these Russian trawlers that we knew were spying on our ships. We knew that because we had seen evidence in the trawlers of sonobuoys, devices that are used to put out in the water to monitor the routes of submarines. And we saw these ships coming into port with no cargo and leaving with no cargo. We knew they were spy ships for the Russians.

Mr. Speaker, Lieutenant Daly and his Canadian counterpart who were assigned to intelligence operations made a mistake. They did their job. They were flying in a helicopter, taking photographs of a Russian ship called the *Kapitan Man*. They were photographing the ship because it was a Russian spy ship spying on our submarines. They were taking photographs of the ship from their helicopter. The Russian ship saw the helicopter, and they activated a laser generator, aimed the laser at the helicopter and lasered the eyes of both of the individuals, Lieutenant Daly and his Canadian colleague.

They knew immediately they had some problem. They did not know what it was. They landed, they went to the medical site at their base there, and the doctors examined them and said, "You've had some kind of damage." They flew them down to our laser specialist in Texas at our military medical facility and they confirmed that he had been lasered by a laser that is not normally available anyplace that ordinary people can access. They were told that the laser came from that Russian ship.

Now, Mr. Speaker when they came back to shore from the helicopter and reported to the DOD command officers that they think something had happened, DOD immediately wanted to go on board the ship, to board it, to see whether or not they had been lasered. Bill Gertz in his book, Mr. Speaker, for every Member of this body to know and to read and to document, for the first time reveals the classified cables between the State Department and the Department of Defense and our embassy in Moscow and the Russians. An American was harmed, doing his job, and yet we find evidence that there were discussions by the man who is currently our ambassador in Moscow, Jim Collins, about how we have to con-

trol this situation, we do not want to offend Russia, we do not want to embarrass Boris Yeltsin. So the military was told, "Don't board the ship. Don't board the Russian trawler. Don't look for that device."

And the military said, "Wait a minute. We've had a career officer harmed. We want to go on board the ship." "Then fine," the State Department said, "you can only board the public areas of the vessel."

Mr. Speaker, how stupid are we? We are going to board a Russian trawler that we know is a spy ship, we are going to look for a laser generator, and we are telling the inspectors that they cannot go into the nonpublic areas? Where do we think the Russians are going to put the laser generator, on the front deck? I mean, cut me a break. Are we that stupid or naive?

No, Mr. Speaker, the point was we wanted to give Russia an out. We knew what happened. Again, the policy, "Don't do anything to embarrass Boris Yeltsin. Ignore the reality. Pretend it did not occur." That is what we did. But the worst part about that, Mr. Speaker, is Lieutenant Daly's career was ruined. He had had a stellar career up until that point in time, he was bypassed for two promotions, his superior officer told him this, and I want to quote what he said to him. He said, "Jack, you don't know the pressure I'm under to get rid of your case." Amazing, Mr. Speaker, in America, that a 16-year career naval intelligence officer who is harmed by a Russian laser generator, only trying to get the satisfaction of his country defending him, would be told by his superior officer, "Jack, you don't know the pressure I'm under to get rid of this case."

Finally, because of the pressure of NORM DICKS, a good friend on the Democrat side, and Members on this side, including myself who have raised a stink on this issue, who have told Secretary Cohen and the Navy that we will not tolerate this activity, just last week the administration announced they are now going to re-review whether or not Lieutenant Daly has been mistreated in his effort to secure a promotion to the next rank in the service, another indication of this overriding policy of reinforcing Yeltsin and that relationship under any circumstances.

But let us get to the real problem, and that deals with the IMF funding. Mr. Speaker, we had a golden opportunity. The reformers took over and when Yeltsin first started out, he was a Godsend. He was standing up, reinforcing Gorbachev, standing on top of those tanks and defying the Communists to take him out as Russia was moving toward democracy and free markets. All of us, and me included, stood behind him and said, "We want you to succeed." But we got mixed up along the way, Mr. Speaker. We got so enamored with Yeltsin that when he did stupid things, instead of saying, "Mr. President, these people that you're putting in charge of these state

enterprises, these multibillion-dollar enterprises that are going to become your banking system, these people that are going to run your huge state enterprises, are not qualified. You're picking them on the basis of friendship and ties as opposed to what is best for your country." We set in motion the beginning, in my opinion, of the economic turmoil that Russia is experiencing today.

Mr. Speaker, all along the way, when we saw Yeltsin doing stupid things, when we saw the oligarchs, the seven oligarchs, most of whom were no more qualified to be the manager of a big bank than I am in Russia, we stood back and we did not engage, because we did not want to offend Boris Yeltsin, we did not want to offend the group of intelligentsia and the oligarchy that was running Russia, because we felt that was our solution.

For the first few years it worked, when Yeltsin was strong and Clinton was strong, the policy worked and our countries were making some progress but we were not willing to be candid. Where are we today? Yeltsin's popularity is less than 5 percent, our own President has his own problems, but in Russia, what are the Russian people saying? "America, you're not our friend. You saw these things occurring and you did nothing."

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You knew what was going on. How can the Russian people respect us today, Mr. Speaker? They saw what was happening. How can the members of the elected Duma respect us? The only time we came to them was when after the fact and all the economic problems occurred, and the IMF was very weary about putting more money into Russia. We said to the Duma, "You've got to pass tough legislation. You've got to reform your finance system. You've got to collect more taxes. You've got to make your people pay electric bills and water bills, which they never paid before under communism. You've got to get tough with your people or we're not going to give you more money."

And the Duma basically thumbed their nose at the IMF, they thumbed their nose at Yeltsin, and they thumbed their nose at America. Why? Because the Duma deputy said, and I think rightfully so, "Wait a minute. You now come to us in 1998 and 1999, and you ask us to pass tough reforms, but you did not involve us when all of this honey was being given out. You didn't involve us when you were sending Boris Yeltsin's friends the billions of dollars of IMF and World Bank money, when you were sending everything through central Moscow siphoned off by Yeltsin's crony friends instead of helping the Russian people, and now you want us to make the tough decisions. You want us to go to our constituents who see the turmoil in our country, and you want us to do the right thing."